

## **I Don't Want Much, I Just Want More: Allocation, Competition and Productivity**

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Directions: Circle the answer letter that best answers each question.

1. What is the most common method for allocating resources in the United States?
  - a. Force
  - b. First come-first serve
  - c. Counting the number of freckles on each person's nose
  - d. Markets
  
2. Cooperation:
  - a. Is impossible because as long as there is scarcity people will compete for more.
  - b. Is desirable because people can produce more when they cooperate.
  - c. Requires that people be willing to sacrifice their own well being to make other people better off.
  - d. Is best achieved when government takes things from people who have too much and gives those things to people who don't have enough.
  
3. Market allocation of goods and services:
  - a. Works the same way as government allocation of goods and services.
  - b. Always works best when there is no government.
  - c. Only helps rich people get more at the expense of poor people.
  - d. Requires government to protect property rights and enforce the rules of market exchange.
  
4. The biggest advantage of allocating through markets is that it:
  - a. Motivates people to produce more of the goods and services that people want most.
  - b. Eliminates scarcity faster than other ways of allocating.
  - c. Makes sure everyone gets as much as they want.
  - d. Doesn't require any government involvement.
  
5. Which of the following best describes the benefit and cost of allocating a good by first come-first serve?
  - a. Benefit—people compete by producing more of the goods they want.  
Cost—rich people will get most of the good.
  - b. Benefit—people like waiting in long lines because it gives them a chance to rest.  
Cost—rich people will not get any of the good, but neither will poor people.
  - c. Benefit—it gives people without the opportunity to make much money working a better chance to compete successfully for the good.  
Cost—the competition doesn't result in more of the goods people want being produced.
  - d. Benefit—it is the best way to allocating those goods that aren't scarce.  
Cost—people tend to get in fights when they are waiting in line for goods that aren't scarce